



House of Representatives

General Assembly

File No. 712

January Session, 2007

Substitute House Bill No. 7352

House of Representatives, May 2, 2007

The Committee on Finance, Revenue and Bonding reported through REP. STAPLES of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING A PILOT PROGRAM FOR AN INTERDISTRICT
MAGNET SCHOOL DISTRICT AND THE INTERDISTRICT MAGNET
SCHOOL PER PUPIL GRANT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2007*) (a) Notwithstanding any
2 provision of title 10 of the general statutes, for the fiscal years ending
3 June 30, 2008, to June 30, 2012, inclusive, the Department of Education
4 shall conduct a pilot program for an interdistrict magnet school
5 district.
- 6 (b) An eligible applicant for the program pursuant to this section
7 shall be a local or regional school district that is a (1) district for a town
8 (A) with a population greater than twenty thousand, but not more than
9 thirty thousand, and (B) that is less than six square miles in area, in
10 which at least fifty per cent of the property is exempt from taxation
11 pursuant to chapter 203 of the general statutes, and (2) priority school
12 district pursuant to section 10-266p of the general statutes. Eligible
13 applicants may apply in such manner and at such time as the

14 Commissioner of Education prescribes.

15 (c) (1) The Commissioner of Education shall select one applicant
16 district for participation and designate the schools under the
17 jurisdiction of such district as interdistrict magnet schools for the
18 purposes of section 10-264h of the general statutes. No school in such
19 district shall be eligible to receive a grant pursuant to subsection (c) of
20 section 10-264l of the general statutes, as amended by this act, unless
21 such school operates as an "interdistrict magnet school program", as
22 defined in subsection (a) of said section 10-264l, and meets the
23 enrollment requirements pursuant to said subsection (a). Such district
24 shall be subject to the provisions set forth in subsections (f), (h) and (i)
25 of said section 10-264l.

26 (2) If such district does not, on or before June 30, 2012, meet the
27 enrollment requirements pursuant to subsection (a) of section 10-264l,
28 as amended by this act, as required by subdivision (1) of this
29 subsection, such district shall be liable to the state for repayment of the
30 amount representing the difference between the school building
31 project grant received pursuant to this section and section 10-264h of
32 the general statutes, and the grant such district would have otherwise
33 received pursuant to the provisions of section 10-286 of the general
34 statutes.

35 (d) Not later than January 1, 2010, the department shall, in
36 accordance with the provisions of section 11-4a of the general statutes,
37 report on the progress of the district participating in the program
38 pursuant to this section in meeting the enrollment requirements
39 required pursuant to subsection (a) of said section 10-264l, and in
40 providing that each school under its jurisdiction operates as an
41 "interdistrict magnet school program" as defined in said subsection (a),
42 to the joint standing committee of the General Assembly having
43 cognizance of matters relating to education.

44 Sec. 2. Subsection (c) of section 10-264l of the general statutes is
45 repealed and the following is substituted in lieu thereof (*Effective July*
46 *1, 2007*):

47 (c) (1) The maximum amount each interdistrict magnet school
48 program, except those described in subparagraph (A) of subdivision
49 (3) of this subsection, shall be eligible to receive per enrolled student
50 shall be determined as follows: [(A)] For each participating district
51 whose magnet school program enrollment is [equal to or less than
52 thirty] greater than fifty-five per cent of the magnet school program
53 total enrollment, [ninety per cent of the foundation as defined in
54 subdivision (9) of section 10-262f; (B) for each participating district
55 whose magnet school program enrollment is greater than thirty per
56 cent but less than or equal to sixty per cent of the magnet school
57 program total enrollment, a percentage between sixty and ninety per
58 cent of said foundation that is inversely proportional to the percentage
59 of magnet school program students from such district; and (C) for each
60 participating district whose magnet school program enrollment is
61 greater than sixty per cent but less than or equal to ninety per cent of
62 the magnet school program total enrollment, a percentage between
63 zero and sixty per cent of said foundation that is inversely
64 proportional to the percentage of magnet school program students
65 from such district] (A) six thousand sixteen dollars for the fiscal year
66 ending June 30, 2008, (B) six thousand seven hundred thirty dollars for
67 the fiscal year ending June 30, 2009, (C) seven thousand four hundred
68 forty dollars for the fiscal year ending June 30, 2010, and (D) eight
69 thousand one hundred fifty-eight dollars for the fiscal year ending
70 June 30, 2011. The amounts so determined shall be proportionately
71 adjusted, if necessary, within the limit of the available appropriation,
72 and in no case shall any grant pursuant to this section exceed the
73 reasonable operating budget of the magnet school program, less
74 revenues from other sources. Any magnet school program operating
75 less than full-time but at least half-time shall be eligible to receive a
76 grant equal to sixty-five per cent of the grant amount determined
77 pursuant to this subsection.

78 (2) For the fiscal year ending June 30, 2003, and each fiscal year
79 thereafter, the commissioner may, within available appropriations,
80 provide supplemental grants for the purposes of enhancing
81 educational programs in such interdistrict magnet schools, as the

82 commissioner determines. Such grants shall be made after the
 83 commissioner has reviewed and approved the total operating budget
 84 for such schools, including all revenue and expenditure estimates.

85 (3) (A) Each interdistrict magnet school operated by a regional
 86 educational service center that enrolls less than fifty-five per cent of the
 87 school's students from a single town shall receive a per pupil grant in
 88 the amount of (i) six thousand two hundred fifty dollars for the fiscal
 89 year ending June 30, 2006, [and in the amount of] (ii) six thousand five
 90 hundred dollars for the fiscal year ending June 30, 2007, [and for each
 91 fiscal year thereafter] (iii) seven thousand sixty dollars for the fiscal
 92 year ending June 30, 2008, (iv) seven thousand six hundred twenty
 93 dollars for the fiscal year ending June 30, 2009, (v) eight thousand one
 94 hundred eighty dollars for the fiscal year ending June 30, 2010, and (vi)
 95 eight thousand seven hundred forty-one dollars for the fiscal year
 96 ending June 30, 2011.

97 (B) Each interdistrict magnet school operated by a regional
 98 educational service center that enrolls at least fifty-five per cent of the
 99 school's students from a single town shall receive a per pupil grant in
 100 an amount that is at least three thousand dollars for the fiscal year
 101 ending June 30, 2006, and for each fiscal year thereafter.

102 (4) Within available appropriations, the commissioner may make
 103 grants to regional educational service centers that provide summer
 104 school educational programs approved by the commissioner to
 105 students participating in the interdistrict magnet school program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	New section
Sec. 2	July 1, 2007	10-2641(c)

ED Joint Favorable Subst. C/R

FIN

FIN Joint Favorable Subst.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Education, Dept.	GF - Cost	4.25 million	8.50 million
Education, Dept.	GOBonds - Cost	None	Potential

Note: GF=General Fund; GOBonds=General Obligation Bonds

Municipal Impact:

Municipalities	Effect	FY 08 \$	FY 09 \$
Various Municipalities	Revenue Gain	4.25 million	8.50 million
New London	Revenue Gain	None	Potential

Explanation

This bill results in a cost to the state of \$4.25 million in FY 08 and \$8.50 million in FY 09 as it increases the state per student operating grant for interdistrict magnet schools over a four-year period. The increased state cost is a revenue gain to the operators of interdistrict magnet schools. Funds for this increase have been provided in the biennial budget as passed by the Appropriations Committee.

The bill results in a potential revenue gain to New London as it makes all school construction projects in the school district eligible for a 95% state share should New London choose to become a pilot interdistrict magnet school district. Should New London choose this option state cost for New London projects would increase by the difference between New London's current rate of 77.86% and 95% multiplied by any potential project costs.

The Out Years

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$	FY 12 \$
Education, Dept.	GF - Cost	12.75 million	17.00 million	17.51 million
Education, Dept.	GOBonds - Cost	Potential	Potential	Potential

Note: GF=General Fund; GOBonds=General Obligation Bonds

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$	FY 12 \$
Various Municipalities	Revenue Gain	12.75 million	17.00 million	17.50 million
New London	Revenue Gain	Potential	Potential	Potential

OLR Bill Analysis**sHB 7352*****AN ACT CONCERNING A PILOT PROGRAM FOR AN
INTERDISTRICT MAGNET SCHOOL DISTRICT AND THE
INTERDISTRICT MAGNET SCHOOL PER PUPIL GRANT.*****SUMMARY:**

The bill increases the minimum state magnet school operating grants over four years and revamps the formula for calculating operating grants for different types of schools based on interdistrict enrollment thresholds (see COMMENT).

It also establishes a five-year pilot program for a priority school district meeting certain criteria to apply to the education commissioner to become an interdistrict magnet school district. It appears the bill's criteria apply only to New London. It allows the district to designate all of its schools as interdistrict magnet schools and receive a 95% reimbursement rate for its school construction projects. But the district is not eligible for state magnet school operating grants until the schools meet interdistrict enrollment requirements for such grants. If, by June 20, 2012, the district does not meet the requirements, it must repay the difference between the 95% magnet school project reimbursement and the state reimbursement it would have received for the projects under the regular 20% to 80% sliding scale for local school construction projects.

EFFECTIVE DATE: July 1, 2007

INTERDISTRICT MAGNET SCHOOL OPERATING GRANTS

Under both current law and this bill, the state provides per-student operating grants to interdistrict magnet schools. The grants differ based on the percentage of students enrolled in the school from each of

its participating districts. By law, schools run by regional education service centers (RESCs) that enroll less than 55% of their students from a single town receive a flat per-student grant. Under current law, all other magnet schools receive per-student grants tied to the foundation amount in the Education Cost Sharing (ECS) formula and that vary in proportion to the percentage of the school's enrollment coming from each of its participating towns. Under that formula, schools receive the largest per-pupil grants for students from towns that constitute 30% or less of their total enrollment and the smallest for students from towns making up 60% or more of the enrollment. Grants range from 30% to 90% of the ECS foundation amount or from \$1,767 to \$5,302 per student, based on the FY 07 ECS foundation of \$5,891.

Over four years, the bill increases the flat per-student grants for RESC-run magnet schools that enroll less than 55% of their students from a single town. It also eliminates the formula-based grants for all other RESC-run and all school-district-run ("host") magnet schools. It replaces the formula grants for these schools with a flat, maximum per-student grant for those that enroll more than 55% of their students from a single district (see COMMENT).

Table 1 shows the bill's increases in per-student magnet school operating grants.

TABLE 1: MAGNET SCHOOL OPERATING GRANT INCREASES

FY	RESC Magnet <55% from single town (per-student)	RESC or Host Magnet > 55% from single town (per-student)
07	\$6,500	From \$1,767 to \$5,302 as determined by formula; RESC magnets must receive at least \$3,000
08	7,060	\$6,016
09	7,620	6,730
10	8,180	7,440
11	8,741	8,158

INTERDISTRICT MAGNET SCHOOL DISTRICT

Under the bill, to be eligible to apply for the pilot interdistrict magnet school district program, a district must be a priority school

district and the district for a town (1) that has a population of between 20,000 and 30,000, (2) with an area of less than six square miles, and (3) with at least 50% of its property listed as tax-exempt. Only New London meets these conditions. The pilot program runs from FY 08 through FY 12

The district must apply to the education commissioner to become an interdistrict magnet school district when and how the education commissioner prescribes. The commissioner must designate all the city's schools as interdistrict magnet schools and allow them to receive the 95% state magnet school reimbursement rate for the eligible costs of construction projects at those schools.

The schools are not eligible for magnet school operating grants unless and until they meet interdistrict magnet school enrollment requirements. For interdistrict magnet school programs that begin operating on or after July 1, 2005, these are that (1) the school's enrollment from a single participating district cannot exceed 75% of its total enrollment and (2) at least 25%, but no more than 75%, of the students enrolled in the school may be from racial minorities. The schools in the district are also subject to regular requirements applicable to all magnet schools relating to student transportation, providing special education and related services, and enrolling students from private schools in part-time programs.

If the district does not meet the enrollment requirements by June 30, 2012, it must repay the difference between the 95% school construction grant the district's projects received under the bill and the grant it would have received at the district's regular reimbursement rate under the standard 20% to 80% reimbursement scale. For FY 08, New London's regular reimbursement rate is 77.86%.

The bill requires the education commissioner to report to the General Assembly by January 1, 2010 on the district's progress in meeting the enrollment and other requirements for interdistrict magnet programs in each of its schools.

COMMENT***Magnet School Operating Grants***

Under the bill, there are two categories of magnet school per-student operating grants, one for RESC magnets enrolling less than 55% of their students from a single town and one for RESC and host magnets enrolling more than 55% of their students from a single town. But the bill fails to specify a grant amount for host magnets enrolling less than 55% of their students from a single town. There are currently no host magnet schools that enroll less than 55% of their students from a single town, but it is possible that there could be such a school in the future.

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute Change of Reference

Yea 32 Nay 0 (03/28/2007)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 53 Nay 0 (04/17/2007)